

CHARTER LEASE TO GLACIER/MERIDIAN

1. As a material consideration for Glacier/Meridian having entered into the above set forth long-term grazing Lease with Charter and without which Glacier would not have given such grazing Lease to Charter, for the same consideration Charter hereby leases and demises to Glacier/Meridian for a term of forty (40) years from and after April 1, 1990, those lands of Charter described below ("Charter's Property"), for the purpose of allowing Glacier/Meridian to enter upon and exercise the mining and exploration rights reserved in favor of the mineral estate owner or its lessee or licensee in the pertinent patent covering Charter's Property, provided Glacier/Meridian has the proper approvals, permits, licenses, and/or leases that may be required by any regulatory authority or mineral owner that may be needed for Glacier/Meridian to exercise the mining rights reserved under the applicable patent. In addition, Charter grants Glacier/Meridian the right to enter upon and use any portion or portions of Charter's Property for conducting any and every type of environmental reconnaissance, monitoring, surveying, measurements, drilling, pumping, sampling, testing or other environmental work that may be required by any regulatory agency or deemed necessary by Glacier/Meridian for the purpose of obtaining permits or regulatory agency approvals, complying with permits from any regulatory agency or gathering data for feasibility studies. Glacier/Meridian shall have the right of ingress and egress on and over Charter's Property and the right to use any and all roads thereon in order to conduct, direct or perform any work in connection with such exploration and mining rights and environmental studies. As a courtesy to Charter, Glacier/Meridian will notify Charter in advance to the extent reasonably practicable when it will begin exercise of its rights hereunder which Glacier/Meridian anticipates will result in significant surface activity being carried out by Glacier/Meridian on Charter's Property. Nothing in this lease to Glacier/Meridian is to be construed as granting surface owner's consent for strip mining. Additionally, nothing in this lease to Glacier/Meridian is to be construed as relieving Meridian of the responsibility to comply with the terms and conditions of any mining permit issued to Meridian by the State of Montana.

CHARTER'S PROPERTY
MUSSELSHELL AND YELLOWSTONE COUNTIES, MONTANA

Township 7 North - Range 27 East

Section 34: S/2S/2 (also described as Lots 1 (38.72 acres),
 2 (37.78 acres), 3 (40.31 acres), & 4 (35.88
 acres)

Township 6 North - Range 27 East

Section 2: All (641.08 acres)
 Section 4: That part of the E/2 lying east of the County
 highway that runs in a NE-SW direction through
 the E/2 of said Section (approx. 150.00 acres)
 Section 10: NE/4, S/2NW/4, NE/4SW/4, NE/4SE/4 (320.00 acres)
 Section 14: All (640.00 acres)
 Section 22: NW/4, S/2 (480.00 acres)
 Section 24: All except the NE/4SE/4 (600.00 acres),

Containing 2,980.28 acres, more or less

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2. Glacier/Meridian is also expressly granted the right, in the exercise of the rights granted under this lease or otherwise provided by law, to ~~take and exclusively use~~ all or any portion of Charter's Property, whereupon Charter shall be compensated by Glacier/Meridian for all portions of Charter's Property taken by reason of the exercise of such right by Glacier/Meridian. In the event of any such taking, Glacier/Meridian shall, at Charter's option, either (i) pay to Charter \$3.00 per lease year, prorated to the date of such taking, for each acre thus taken or used during each lease year, together with such amount as will reasonably compensate Charter for all physical damage to Charter's improvements, damage sustained by Charter by reason of the destruction of or injury to any of Charter's livestock, or damage to water and water sources of Charter sustained by Charter by reason of such taking and use by Meridian, or (ii) purchase the portion or portions of Charter's Property so taken by Glacier/Meridian or all of Charter's Property described above. The above-referenced option provided to Charter in this Paragraph 2 shall be exercised by Charter within 90 days after Glacier/Meridian's exercise of its right to take and use all or any applicable portion of Charter's Property as aforesaid. If Charter shall fail to elect option (i) or (ii) above within the 90-day period, then Charter shall be conclusively deemed to have elected option (i) above; provided, however, the Charter's right to elect option (ii) above shall apply to all or any part of Charter's Property previously taken or used by Glacier/Meridian each time Glacier/Meridian exercises its right to take and use any additional portion of the Charter's Property irregardless of Charter's previous election or deemed election of option (i) above. The purchase price shall be the greater of (a) \$150 per acre, or (b) the appraised value of such taken property. The \$3.00 per acre and \$150 per acre values shall be subject to change in the same manner and at the same time as the rental rate per AUM contained in Paragraph 4 of the Lease from Glacier to Charter. To obtain the appraised value, Glacier/Meridian and Charter shall each promptly select and pay for one qualified appraiser, who shall, within 30 days of the appointment of the last of such appraisers, each appraise Charter's interest in the taken properties independently and determine the fair market value thereof in a pre-mining condition. If the fair market values determined by the two appraisers so selected differ by less than 10% of the higher appraised value, the fair market value shall be equal to the average of the fair market values determined by the two appraisers. If, however, the fair market values determined by the two appraisers differ by more than 10% of the highest appraised value, then the two appraisers shall jointly select a third appraiser, the cost of which shall be shared equally by Glacier/Meridian and Charter. The third appraiser shall conduct his appraisal independently within 30 days of appointment, and the fair market value shall then be the average of the two fair market values which are the closest of the three values thus obtained. Each such appraiser shall be a disinterested person of recognized competence who has been involved in the real estate industry for a period of not less than five years. Notwithstanding anything contained herein to the contrary, it is expressly agreed that if Meridian shall become liable to Charter for damage to the water and water sources of Charter as aforesaid, then Meridian's total liability to Charter for such damage shall be limited to, and shall in no event ever be greater than, an amount determined by multiplying the acreage of Charter's Property (2,980.28 acres) times \$150 (provided that such \$150 value shall be subject to change in the same manner and at the same time as the rental rate per AUM contained in Paragraph 4 of the Lease from Glacier to Charter) and subtracting from the product thereof the then appraised value of Charter's Property. The appraisal

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procedures to be utilized to determine the then appraised value of Charter's Property shall be those above set forth in this Paragraph 2. The foregoing limitation on Meridian's liability to Charter for damage to water and water sources of Charter sustained by Charter by reason of the aforesaid taking and use by Meridian is just that, a limitation, and nothing herein shall be construed as relieving Charter from verifying the actual damages sustained by Charter to its ranching operation by reason of such taking and use by Meridian.

In addition to the payments provided for in the preceding paragraph, unless Glacier/Meridian has previously purchased the applicable portion of Charter's Property, Glacier/Meridian shall pay Charter a one-time payment of \$250.00 for each site where either exploration drill holes or water monitoring wells are installed on Charter's Property. A drill site shall include all holes within a 100 foot radius of the initial hole drilled at any given area.

3. Glacier/Meridian, jointly and severally, hereby assume all risk and responsibility for, and shall indemnify and save Charter harmless from and against, any and all claims, demands, costs (including reasonable attorneys' fees), suits or causes of action, for any injury, including death, or damages sustained by any third party or parties, Glacier/Meridian or Charter, their agents, employees, invitees, licensees, or guests while upon Charter's Property, that is proximately caused by the negligence or willful misconduct of either Glacier/Meridian, or their agents, employees, invitees, licensees or guests.

4. If Glacier/Meridian shall fail to perform any covenant hereof, Charter may terminate this lease upon sixty (60) days notice in writing to Glacier/Meridian; provided, however, that Glacier/Meridian may avoid such termination by curing such default within said sixty (60) day period. Glacier/Meridian may terminate this lease upon 90 days written notice to Charter; provided, however, that Glacier/Meridian shall not have the right to so terminate this lease as to any portion of Charter's Property which is covered by Meridian's State of Montana reclamation bond until such bond is finally released as to such portion of Charter's Property by the State of Montana. In the event of termination by Glacier/Meridian, Glacier/Meridian shall remove its property from Charter's Property within 90 days after such termination and shall leave Charter's Property in a clean and sanitary condition satisfactory to Charter. In the event of failure to do so, Charter may remove such property and cause the clean up work to be accomplished at the expense of Glacier/Meridian.

5. Glacier/Meridian may assign or sublet all or any portion of this lease upon giving 60 days written notice of such assignment or sublease to Charter.

MISCELLANEOUS PROVISIONS APPLICABLE TO BOTH LEASES

1. Service of any notice hereunder by Glacier shall be deemed complete if such notice is either personally delivered or is sent by certified mail with a return receipt requested deposited in the United States Post Office, addressed to Charter at Route 1, Shepherd, Montana 59079. Service of any notice hereunder by Charter shall be deemed complete if such notice is either personally delivered or is sent by certified mail with a return receipt

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requested deposited in a United States Post Office, addressed to Glacier at Glacier Park Company, P.O. Box 579, Miles City, Montana 59301, with a copy to Meridian Minerals Company, 5613 DTC Parkway, Englewood, Colorado 80111.

2. Glacier will pay all taxes levied or assessed upon Glacier's Property and Charter will pay all taxes levied or assessed upon Charter's Property.

3. This document incorporates the entire agreement of the parties. No prior representation, stipulation, agreement or understanding will be valid or enforceable unless incorporated herein.

4. This Lease shall be binding upon and inure to the benefit of the successors and assigns of Charter, Glacier and Meridian.

5. This document contains two separate leases and they have been placed in one document simply as a convenience. The continuation, default, termination or any other event with respect to one of the leases shall have no effect on the other lease. For as long as both leases remain in effect, there is no rent payable to Charter hereunder. In the event the Lease to Charter herein is terminated for any reason, the lease to Glacier/Meridian shall continue, and Glacier/Meridian shall pay to Charter rent in the annual amount of \$3.00 per acre (less, however, any amount paid to Charter under Paragraph 2 of the lease to Glacier/Meridian for the same acreage) or at Charter's option Glacier/Meridian shall purchase all of Charter's Property set forth above in accordance with Section 2 of the Charter Lease to Glacier/Meridian. The \$3.00 per acre figure contained in this paragraph shall be subject to change in the same manner and at the same time as the rental rate per AUM contained in Paragraph 4 of the Lease from Glacier to Charter.

IN WITNESS WHEREOF, the parties hereto have executed this instrument, in duplicate, the day and year first above written.

CHARTER RANCH, INC.

By Anne Y Charter
Its President

GLACIER PARK COMPANY by its Attorney-in-Fact, MERIDIAN MINERALS COMPANY

By [Signature]
Its PRESIDENT AND CEO

MERIDIAN MINERALS COMPANY

By [Signature]
VICE - President